

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE RESPONSE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY
(APWU/USPS—12)**

The United States Postal Service today files its institutional responses to the above-identified interrogatories of the American Postal Workers Union, AFL-CIO, dated February 23, 2012. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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APWU/USPS-12 In various documents published by the Postal Service among a variety of strategic options and proposals, the competitive parcel market is frequently referenced as an area for future growth. Specifically, the USPS published reports titled “Ensuring a Viable Postal Service” and the “Vision 2013” five year Strategic Plan, among many other reports, have indicated a planned intent to grow the parcel and package component of the USPS revenue stream. Additionally, many outside organizations with whom the USPS maintains relationships, such as Postal Vision 2020, have advocated a redirection of USPS strategy to a greater focus on carrying and delivering “physical goods”.

- a) To address these stated USPS intentions and recommendations from others, has any evaluation been conducted or plan been developed to define future expansion in the parcels sub-categories of the various mail classes?
- b) If so, does that plan evaluate the potential use of the existing network and plant infrastructure to provide future expanded distribution capabilities in parcels and packages?
- c) Has any evaluation been conducted or plan been developed to expand the Priority Mail product in particular in the competitive market?
- d) Has any evaluation been made of the existing processing and transportation network as to how it could be utilized for significant further expansion into parcel sub-categories and Priority Mail in particular?
- e) What are the results of those evaluations and studies regarding the possible future use of the existing network for new expansions?
- f) Has any evaluation been made of the impact the closures and consolidations planned under the network rationalization initiative will have upon the future expansion of parcel and package services? If so, please provide a detailed description of the impacts.

RESPONSE

- (a) Review of the marketplace and development of plans are underway, but are not expected to be completed until more clarity emerges regarding future service standards, network changes and pending legislative activity.
- (b) The plan is expected to take into account network and plant infrastructure that emerges from the ongoing rationalization initiative.
- (c) Priority Mail is included in the response to part (a).
- (d) See the response to part (b).
- (e) See the responses to parts (a) and (b).

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RESPONSE to APWU/USPS-12 (continued)

- (f) See the response to (a). Otherwise, see USPS-T-11 and USPS-T-12.